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PROGRAMME PLANNING

Country and intercountry programmes and projects

FIFTH COUNTRY Programme FOR GUINEA-BISSAU

Programme period	Actual resources programmed	$
1993-1997	Net IPF	27 413 000
	Total	27 413 000

CONTENTS

		Paragraphs	Page
I.	DEVELOPMENT SITUATION, OBJECTIVES AND STRATEGIES	1 - 6	2
A.	Current socio-economic situation	1 - 5	2
B.	National development objectives and strategies ..	6 - 8	3
II.	EXTERNAL COOPERATION	9 - 15	3
A.	Role of external cooperation	9 - 11	3
B.	Aid coordination arrangements.....	12 - 15	4
III.	THE COUNTRY Programme	16 - 57	5
A.	Assessment of the ongoing country programme	16 - 18	5
B.	Proposals for UNDP cooperation	19 - 52	6
C.	Assistance outside main country programme areas	53	14
D.	Implementation and management arrangements	54 - 57	14

Annexes:

I.	Financial summary.....	16
II.	Fourth-programme matrix.....	18

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I. DEVELOPMENT SITUATION, OBJECTIVES AND STRATEGIES

A. Role of external cooperation

1. After becoming independent in 1973, Guinea-Bissau was confronted with the problem of reconstructing its economy, which had been considerably weakened by years of struggle for national liberation. Added to this were internal distorting factors linked to the underdevelopment of the country's infrastructures and its production systems. The First National Development Plan (1983-1986) and the implementation since 1983 of economic and financial stabilization measures opened a new period of profound change which was reflected in a partial recovery from the internal imbalances and a gradual rehabilitation of the country's internal accounts. These changes were manifested especially after the year 1987, under the influence of the measures adopted in the context of the policy of economic liberalization and the Structural Adjustment Programmes (SAP I (1987-1989) and SAP II (1989-1992)).

2. These new policies, supported by external credits and international aid, made possible a mean annual GDP growth of the order of 4.7 per cent and a 2.7 per cent mean annual growth in per capita income during the period 1987-1991. Nevertheless, in spite of the positive trends of some macroeconomic indicators, the economy continues to show serious signs of fragility: the primary sector contributes more than 50 per cent of GDP, essentially from cashew nuts, the principal export product, the prices of which are constantly fluctuating. The level of investments is 28 per cent of GDP (1987-1991), the budget deficit is 40 per cent of GDP, and the inflation rate is 70 per cent per year. The external debt amounts to $527.8 million (1990), or 247 per cent of GDP, and debt service constitutes more than 26 times the amount of export receipts for the same year. This enormous debt poses a major structural obstacle to the future development of the country.

3. The efforts aimed at rehabilitation of the macroeconomic environment have had negative effects on the social fabric. The erosion of the workers' purchasing power, due to a very high inflation rate and to the depreciation of the national currency, has been accompanied by growing urban unemployment caused by the measures adopted in order to control the budget deficit and restructure the public sector, the dismissals of civil servants and the freezing of certain public investment projects.

4. To sum up, in spite of some potentialities, particularly in the agricultural and fisheries sectors, Guinea-Bissau remains one of the poorest countries in the world, with a per capita income of $210 in 1991. In fact, Guinea-Bissau is in one hundred fifty-second place in the ranking of countries according to human development index (HDI), as shown by the basic social indicators. Life expectancy at birth is barely 43 years. The literacy rate among adults is 37 per cent. The primary-school enrolment ratio is approximately 45 per cent (32 per cent for girls), while at the secondary level the ratio is barely 7 per cent. The level of sanitation is among the lowest in Africa (vaccination coverage 56 per cent; access to potable water 25 per cent; child mortality 146 per 1,000 live births; maternal mortality 1,000 per 100,000 live births; population covered by social security payments 41 per cent; women with assistance at delivery 27 per cent).

5. In the political sphere, the country, led until recently by a single-party regime, is now in a phase of transition to a multi-party democracy, which should culminate in the holding of presidential and legislative elections scheduled for 1993.

B. National development objectives and strategies

6. The general objectives of development, as defined in SAP II and the Public Investment Programme (PIP) and in certain official Government documents, require a sustainable economic growth rate, improvement of social conditions as the people's essential needs come to be satisfied, and expanded participation in the development process. In order to attain these objectives, the Government has established a strategy centred on four essential points: (i) maintenance of macroeconomic balances and improvement of the situation with regard to public financing, balance of payments and external debt; (ii) promotion of economic growth, aiming at agriculture as the priority sector and taking steps to find ways of increasing production with a view to reaching the ceiling necessary for ensuring food security and for producing surpluses for export. Encouragement should also be given to private initiative and local initiatives; (iii) promotion of an economy that is integrated at the international, regional, subregional and national levels, endowed with basic infrastructures to guarantee the flow of products and the functioning of external and internal markets, and supported by territorial management schemes which take account of the potentialities of different regions of the country and of the imperatives of rational use of the environment; (iv) utilization of human resources by means of a policy covering the spheres of science and technology, education, training, employment and support for the most vulnerable social groups.

7. In order to speed the attainment of these objectives, the Government has prepared an emergency economic and social programme, whose main activities and objectives relate to the continuation of the process of transition towards multi-party democracy, macroeconomic recovery, promotion of growth in the productive sectors (agriculture, fishing, small and medium-sized enterprises, tourism), improvement of conditions in social sectors through the rehabilitation of social and physical infrastructures, and improvement of efficiency in public administration. This programme was put into effect in April 1992.

8. In the same context, the Government envisages the undertaking of negotiations for a third SAP covering the period 1993-1995. That programme, one of whose main concerns will be to consolidate the macroeconomic reforms already in progress, will also stress the role of the State in the market economy, the establishment of a well-performing management for public administration, the privatization of non-performing public enterprises and the promotion of the private sector.

II. EXTERNAL COOPERATION

A. Role of external cooperation

9. External aid received by Guinea-Bissau in 1990 amounted to $75 million, or 36 per cent of GDP. It covers almost all of the public investment programme and the technical cooperation programme. More than 80 per cent of the aid is provided in the form of grants. In 1990 aid to projects constituted 65 per cent, aid to the balance of payments 35 per cent, and food aid 0.56 per cent of the total. That aid was divided almost equally between multilateral donors (49.37 per cent) and bilateral donors (47.32 per cent), with 3.3 per cent of the total being contributed by NGOs. Among multilateral donors, the IDA and BAD/FAD group occupies a privileged position, furnishing close to 50 per cent of aid. It is followed by the agencies of the United Nations system, whose share amounts to approximately 14 per cent, with UNDP contributing 5.4 per cent and the EEC/EDF group, approximately 6 per cent. Among bilateral donors, Sweden occupies first place (21.7 per cent), with France contributing 11.2 per cent, the United States of America 8.94 per cent, and Portugal 3.22 per cent.

10. The sector-by-sector distribution of aid for the year 1990 is the following: production sectors, 28.08 per cent; education, 23.5 per cent; development management, 12.7 per cent; transport, 10.3 per cent; public works, 5.3 per cent; health care, 3.8 per cent; other sectors, 16.3 per cent. With regard to types of cooperation, 45 per cent of these resources were allocated to technical cooperation.

11. The amount of technical cooperation in Guinea-Bissau has justified the choice of the NATCAP exercise beginning in 1987. This made it possible to establish a diagnosis of the situation in administration with a view to optimum utilization of national human resources and to the definition of a policy for better utilization of technical cooperation. The instruments set up by NATCAP have also made it possible to correct the role of the State in this type of cooperation.

B. Aid coordination arrangements

12. The Ministry of Foreign Affairs and Cooperation is the central agency responsible for the coordination of external aid. That activity is carried on in collaboration with the Ministry of Finance, the State Secretariat for Planning, the Central Bank of Guinea-Bissau and the Economic Coordination Commission. The project on UNDP cooperation relating to the coordination of aid is contributing to the strengthening of internal coordination mechanisms and of national capacities for the negotiation, mobilization and management of external aid.

13. In the light of the large amount of external aid assigned to economic management, the Economic Coordination Commission, headed by the Prime Minister and including the Minister for Foreign Affairs, the Minister of Cooperation, the Minister of Finance, the Minister of Commerce, the State Secretary for Planning and the Governor of the Central Bank, concerns itself with the harmonization and coordination of macroeconomic policies and strategies. It is envisaged that the establishment of a subprogramme for macroeconomic management may improve the coordination of aid by instituting more integrated and effective governmental management. In addition, an interministerial commission was recently established, within the framework of the National Commission for the Environment, to coordinate environmental policies.

14. The tasks of mobilization and coordination of aid are facilitated by the round-table machinery supported by UNDP. The sectoral consultations organized by the Government and financed, *inter alia* by UNDP, the World Bank and UNFPA have been supported by all the donors and NGOs represented in the country. The calendar of the next conference depends largely on the establishment of an economic policy as part of the Structural Adjustment Programme (SAP) sponsored by the World Bank. In this context, the macroeconomic subprogramme and the subprogramme for administrative reform envisaged in the fourth country programme will make the Government better able to improve its economic policy, as well as to meet the requirements of the SAP. Consequently, the next round-table conference is expected to take place in late 1993 or early 1994. The conference will make it possible to go more deeply into the question of new economic and social policies and strategies in the context of the transition to an open economy. It will also make it possible to consolidate the results of sectoral studies and workshops which have helped in the development of policies and strategies, particularly in the areas of external debt, education, health care, women in development, water and sanitation, population and development, environment, promotion of the cooperative and associative movement and technical cooperation.

15. With regard more specifically to technical cooperation, the application

of the NATCAP exercise in Guinea-Bissau has enabled the Government to set up coordinating and programming instruments for such cooperation. NATCAP has helped in the establishment of a data bank on technical cooperation and the preparation and governmental approval of the technical cooperation policy document and a technical cooperation programme (TCP). The gradual integration of the TCP and the PIP will also strengthen the machinery forming the basis for a more efficient allocation of external aid.

III. THE COUNTRY Programme

A. Assessment of the ongoing country programme

16. According to the mid-course review, the third programme, with certain adjustments, has retained its pertinence and coherence. Among the most outstanding results, as an illustration with regard to management of the public sector and the economy, we may note the formulation of tools for the programming and follow-up of the implementation of economic policies and programmes, *inter alia* the establishment of data banks on State accounts and technical cooperation, reform of public accounting and the preparation of a water code and a master scheme for the water and sanitation sector. With regard to basic participatory development, attention must be given to the establishment of transport and communications infrastructures as part of the project for integrated development of the Bijago//s Islands, which has promoted exchanges of information, goods and personnel between the islands and similar exchanges between the archipelago and the continent. With regard to the increase of food production, the "Green Belt" project deserves attention, since it has contributed greatly to the increase of food production in the horticultural sector. Cooperation in the areas of applied research and seed multiplication, which has helped to increase the availability of rice seeds, particularly in the rural area, is also important in this connection. In the area of human-resources development, UNDP support for the activities of the Technical Institute for Vocational Training and the reform of basic education programmes by the National Institute for the Development of Education are also worthy of attention. Moreover, it should be noted that support for training in the context of specific projects, either in the form of fellowships for study abroad or in the form of on-the-job training, have had generally positive effects on the State's capacity to formulate, implement and follow up development programmes and projects.

17. However, in spite of some significant achievements, some weaknesses in the conditions of definition and implementation of the third programme have been observed. These include an unduly broad dispersion of different UNDP projects in the same sector and a lack of coordination among the projects; a lack of cohesion and complementarity between the UNDP programme and the programmes of other agencies of the United Nations system; overlapping between some UNDP projects and projects of other lenders; a misjudgment of the precise context of some projects, which leads to an inadequate conception of their implementation; failure to take account of recurring costs during the project formulation stage, which had a negative impact in some cases, such as the case of the project for integrated development of the Bijago//s Islands, where, once the cooperation ended, the Government has been unable to protect the achievements made, and the fact that the financial and material contribution made by the Government to the projects and programmes has not, in general, been effective. On the whole, it has been found that the low level of remuneration in civil service and the inadequacy of the available material and financial means for support services have greatly weakened the morale of personnel and diluted the efforts made to strengthen national capacities.

18. Taking account of the experience acquired in the third country programme, it is useful to emphasize the comparative advantages of UNDP in the context of Guinea-Bissau. First of all, UNDP'S neutrality gives it a privileged position, especially in the case of perceptible processes, such as the process of reform and management of the public sector and, more generally, the process of management of the economy. Moreover, the fact that UNDP cooperation is provided in the form of grants makes UNDP one of the country's foremost partners, particularly in the case of private activities aimed at the most disadvantaged strata of society.

B. Proposals for UNDP cooperation

1. Preparatory process

19. The preparation of the fourth programme has been the subject of consultations and of intense and fruitful joint considerations by the Government and UNDP, in permanent association with other agencies of the United Nations system and the community of lenders. These consultations have taken account of the lessons of the third programme which were pointed out in the mid-term review and analysed in the UNDP advisory note as the basis for a proposal for new programming.

20. In view of the fact that Guinea-Bissau had already made a first attempt in the NATCAP exercise and had prepared a first TCP (1991-1993), it seemed advantageous to initiate discussions on the preparation of the fourth programme along the lines of the TCP, even though its implementation was slow in several aspects, owing to its novelty and to the fact that several of its priorities needed to be updated. The conclusions of the TCP emphasize six main lines which technical cooperation should follow in the future: (i) consolidation of existing projects with a view to the actual transfer of know-how and responsibilities; (ii) the establishment of integrated programmes of technical cooperation; (iii) the establishment of multisectoral short-term training programmes; (iv) the development of higher and polytechnic education; (v) administrative reform; (vi) the establishment of economic policies and incentives for the development of the private sector. The second TCP (1993-1995), currently being formulated, will reflect the Government's updated priorities more accurately. In the meantime, the formulation of the fourth country programme also takes account of the priorities indicated in the Government's emergency economic and social programme submitted to the lenders in May 1992.

21. On the basis of these lines of action, the Government, through sectoral meetings convened at the time of the second round table, has undertaken an expanded process of consultation with partners, which has provided it with the elements needed to identify the priorities for the fourth country programme. A commission responsible for preparing the fourth programme and made up of all those sectors of the Government that have been assisted by UNDP experts and personnel has been established. The summary document that emerged from the conclusions of the various commissions was adopted in plenary assembly.

2. UNDP cooperation strategy

22. Aware of the complexity of the needs that must be met and the extremely limited means available, the Government wants UNDP cooperation to be channelled selectively into the areas in which it can make the greatest possible impact. In this context, the strategy for the utilization of UNDP resources is centred on three main aspects, in which UNDP has comparative advantages. These aspects are: (i) development of national capacities for the

formulation, implementation, management and evaluation of development programmes; (ii) development and implementation of economic and social policies and strategies that are more coherent and efficient and are consistent with development objectives and priorities and with the available or mobilizable resources, as well as the establishment of better-performing administrative structures; (iii) consolidation of the democratic process and the ongoing economic liberalization.

23. With due regard to the foregoing and in the light of the advisory note, the Government proposes to concentrate UNDP cooperation in the following areas: (i) support to the public sector and management of the economy; (ii) assistance to priority social sectors; (iii) promotion of the private sector and employment; (iv) management of natural resources with a view to promoting sustainable productivity and growth.

24. The above-mentioned four areas of focus take account of the priorities adopted in the TCP and the emergency economic and social programme prepared by the Government. The first area of focus relates to the needs raised in the TCP and the emergency economic and social programme. The second area takes account of needs in the social sectors indicated in the emergency programme and, in some measure, the needs in the education sector that are mentioned in the TCP. The third area relates to the private-sector and employment needs included in these two programmes. The fourth area stresses the importance of good management of natural resources for sustainable development in the key production sectors (agriculture, fisheries, forestry) to which the emergency programme gives priority. The implementation of the programme approach and the adoption of a gradual pace for national implementation will meet the needs raised in connection with the first two main lines of the TCP.

25. The implementation of the programme approach will be based more particularly on the implementation of the framework programmes viewed as a collection of integrated actions aimed at achieving the development objectives in each national sector. This should make for high efficiency in the utilization of resources and in management activities, in minimizing duplication of work, in the harmonization of concepts and methodologies for intervening in the field and for pooling facilities and exchanging information relating to objectives, priorities and means for Guinea-Bissau's development policy. These exchanges should enable the Government to define and orient its development policy better and make better use of external assistance.

26. Within the framework of the conception and implementation of the proposed framework programmes, emphasis will be placed on the continuation and development of certain factions with horizontal dimensions, such as the integration of women into development and the creation of jobs. More specifically, UNDP will develop its cooperation in the areas of institutional strengthening and support of the preparation and application of a strategy and programmes for the promotion of Guinean women. Moreover, the fourth programme will support the Government's efforts to strengthen economic integration and subregional cooperation.

27. The promotion of human development will be reflected more particularly in the projects which UNDP will be called upon to implement in the areas of social habitat, water supply, health care, literacy, food security, status of women and employment, in close cooperation UNCDF, WHO, UNICEF and UNFPA, as well as in activities aimed at strengthening national capacities for collecting, mastering, and utilizing socio-economic data which produce an impact on the composite human development index. Furthermore, in view of the

very recent intensification of the transit of the narcotics trade through Guinea-Bissau, UNDP will be asked to mobilize the support of competent agencies of the United Nations system in order to fight this scourge, in an action complementary to the assistance provided by other lenders in this sphere.

28. The area of concentration relating to the public sector and management of the economy will receive 25 per cent of the available funds, support to priority social sectors will receive 22 per cent; support to the private sector and employment will receive 18 per cent, while the management of natural resources will receive 25 per cent of the available funds. An unassigned reserve of 10 per cent will be programmed as needs evolve.

3. Areas of focus

29. Support for the public sector and for the management of the economy. UNDP cooperation in this sector should help to remove the limitations of economic growth which were imposed by a deficient organization of public administration and by a lack of personnel sufficiently equipped to provide guidance, coordination and follow-up of the implementation of economic policies and programmes. This cooperation (with IPF and Management-Development funds) will relate to administrative reform through the establishment of modern personnel management in the civil service and a reform of the state apparatus with a view to improving its effectiveness. These reforms will make possible the reorganization of the structures of key ministries in public administration, the management of human resources (*inter alia* control of manpower, and forward-looking management of personnel), the establishment of a new code for civil servants, the preparation and implementation of a framework and a methodology for the programming of training and advanced training in administration and the consolidation of the agency responsible for administrative reform. They will also provide support for the macroeconomic programme, which will consist initially in developing all emergency technical- assistance programme in the macroeconomic sector to help the Government achieve its short-term objectives. The pre-programming period will make it possible to conduct an in-depth evaluation of capacities in macroeconomic management and of technical-assistance needs. The pre-programme will culminate in the formulation of a framework programme of macroeconomic technical cooperation in the areas of recruitment, training and creation of capacities. That framework programme will be submitted to the donors.

30. The pre-programme will survey UNDP cooperation in three governmental services responsible for macroeconomic management. Those services are the Ministry of the Economy and Finance (support for governmental accounting, debt management, preparation and supervision of the budget, reorganization of structures), the Ministry of Foreign Affairs and Cooperation (strengthening the capacity for negotiation and coordination of external aid, preparation of a data bank on financial cooperation and a policy and strategy for cooperation and coordination of aid through the consolidation of the NATCAP programme) and the State Secretariat for Planning (preparation of economic statistics, support for the public investment programme, management and evaluation of projects).

31. Support for priority social sectors. The great majority of the population of Guinea-Bissau has inadequate access to basic services in the areas of health care, education and water supply and sanitation. Moreover, the problem of social habitat is acute in the growing urban centres. The

rehabilitation of social sectors is one of the five components of the Government's Emergency Programme submitted to the lenders in 1992.

32. The Human Development Report and global initiatives such as the Bamako Initiative, Education for All and the Rio Summit have accentuated the need to invest in human development for sustainable growth. With regard to Africa in particular, the conference which will be organized by OAU with the assistance of UNICEF will demonstrate the priorities for human investment in order to ensure the future development and economic growth of Africa. In that context, the United Nations agencies working in Guinea-Bissau will support the Government in establishing data banks on the social indicators of economic reforms in decision-making and in the follow-up of indicators complementary to the macroeconomic indicators relating to human development. They will also, in cooperation with the Government, establish a medium-term strategy for human development in Guinea-Bissau, while determining joint actions to be undertaken in the short term.

33. Thus, in collaboration with WHO, UNICEF, UNESCO, the United Nations Division of Economic and Social Development (UNDESD), UNFPA and WFM, UNDP will support the Government in implementing or updating framework programmes and action subprogrammes in the priority social sectors of health care, education, water supply and sanitation and housing; in establishing management staffs for the implementation of those programmes and in jointly implementing their components and subcomponents. In this context, the Plan of Social Action which the Government is now preparing for the OAU conference at Dakar will concentrate on women and children and will provide an initial framework for the preparation of an action based on previously formulated plans for the specific subsectors. The Government will propose for the long term that UNDP should contribute to the development of an overall social- action plan which will include some programmes for elderly, handicapped and vulnerable persons, for drug addicts, and for other disadvantaged groups. Such a plan could contribute to the implementation of the medium-term and long-term strategy of the United Nations in the social sphere. In addition, UNDP, in collaboration with UNFPA, will participate in the collection of demographic data and their integration into planning and will support the preparation of studies and the development of activities relating to interaction between women, the population and development, while promoting better utilization of women's contribution to development.

34. The Government has formulated and implemented a policy based on primary health care with a view to finding an overall solution to the health problems. That policy has led to the Health Development Plan for 1990-1995, which includes needs at the central and regional levels. The basic objective of the health policy is to increase the access of 60 to 70 per cent of the population to preventive and therapeutic health services by improving the management of the national health system. The rehabilitation and equipment of basic infrastructures, the supply and management of medicine and the provision of professional training are among the priorities in this area. The implementation of the primary health-care components at the level closest to the community is the main goal of the Government's policy in the matter. Along the same lines, the Government intends to increase the health-care budget, *inter alia* by establishing a system for recovering the costs of hospitals and health centres through the creation of community funds.

35. The specific actions already identified for UNDP support in this subsector are: a joint action with UNICEF, WHO, WFP and UNFPA for the preparation and implementation of a subprogramme framework; the strengthening of the system of health-services management in order to improve coordination between the regional and central services and to improve planning,

mobilization and utilization of resources of the sector by an action carried out jointly with WHO and UNICEF; continuation of UNDP/WHO support for the coordination of the fight against AIDS; and direct support to the Government for the financing of Cuban doctors in Bafata and Gabu regions, with additional activity aimed at on-the-job training for national medical personnel.

36. With regard to education, during the third country programme UNDP/UNESCO supported the Government within the framework of project GBS/86/004, which related to support for the reform of basic-education programmes and for the management of the educational system. Among other things, that project made possible to prepare practically all the basic education programmes and the teaching materials.

37. In addition, UNDP, with the assistance of UNESCO, is helping the Government in the preparation of the framework plan for education, which is centred on two important programmes: the programme of basic education for all and the national programme for the promotion of technical and vocational skills. The objectives of the first programme are to extend access to basic education, to improve the quality of apprenticeship, to promote the system's capacity for self-maintenance and to strengthen national unity and national culture. The objectives of the national programme for the promotion of technical and vocational skills are: to expand access to the vocational sectors necessary for the country's development, to increase the productivity and effectiveness of socio-educational sectors, to foster entrepreneurial initiatives and the innovative spirit and to promote research and development and the implementation of technical innovations.

38. Towards mid-1993 the framework plan will be the subject of consultations between the various lenders intervening in the educational sector. Cooperation by United Nations agencies in this sector will be specified on the basis of those consultations.

39. Water and sanitation needs are still far from being met in Guinea-Bissau. The importance attached by the Government to this sector has been manifested in the preparation, with UNDP support, of a master scheme for the sector which was approved in 1991. The objective aimed at by the Government is to meet the needs of equitable and adequate distribution and to set up equipment capable of meeting the increased demand. The investment programme relates to the construction of 2,500 new wells and boreholes and 780 rehabilitation projects in village water supply, the construction and rehabilitation of installations for bringing water to secondary centres, the mastery and staffing of the extension of the present water network at Bissau as part of the prolongation of the ADB programme and the improvement of the collection and evacuation of rainwater at semi-urban centres. During the fourth country programme the Government will request UNDP assistance for the intensification and management of the master scheme for Water and Sanitation. Also in this context, there is need to set up an institutional framework for the various actions and actors in this subsector. An additional concern is the need to place increased emphasis on education, information and communication in the implementation of the master scheme, in the light of the socio-cultural environment of certain zones of Guinea-Bissau with regard to the acceptance of improved health and sanitation measures and of the principle of user participation in repair and maintenance. It is proposed that joint actions with UNICEF and WHO should be used to support the Government's efforts aimed at strengthening and coordinating this area and the implementation of the master scheme. In co-financing with UNCDF, UNDP will support the implementation of the recommendations contained in the master scheme with regard to the development of village water supply and sanitation of the rural

environment, as well as the strengthening of Government's staffing and coordination capacities, within the framework of a project for the construction and rehabilitation of 380 boreholes fitted with equipment and the installation of sanitation infrastructures in the regions of Oio and Gabu.

40. In 1990 it was estimated that 26 per cent of the population of Guinea-Bissau were urban residents and that migration towards the urban centres had visibly increased in recent years. The increase is uncontrolled, leading to a serious housing shortage (particularly among the poorest strata of the urban population) and to the deterioration of existing urban housing, infrastructures and services. Sanitation and access to drinking water is becoming a serious problem. A preliminary study for a national housing policy has been undertaken in the context of the Social Action and Infrastructure Programme supported by the World Bank and other lenders (diagnosis, studies and preparation of the master plan for the city of Bissau, for which additional work is required). In the course of this programme, UNCDF, UNDP and HABITAT will help the Government in the two areas that are of importance as a basis for the possible preparation of a national urban development and social habitat. It will be necessary to prepare master plans for urban development of Bissau and seven other towns in the interior (Bafata, Gabu, Bissora, Farim, Canchungo, Buba and Catio), the definition and implementation of a system for social-housing credit and a system for recovering investment costs and the creation of a fund for reinvestment in the housing area as part of an urban management project at Bissau co-financed by UNCDF. The programme will also support the establishment of a national capacity for urban planning and administration within the Government and at the most important municipalities. In addition, joint actions for urban sanitation will be undertaken with WHO and UNICEF.

41. Promotion of the private sector and of employment. The State has undertaken a process of economic liberalization, which is being manifested in the Government's withdrawal from the production and service sectors in favour of private initiative. This orientation is designed to create well-paid jobs. In this context, the government has asserted that it wants to create conditions that promote the growth and diversification of the private sector throughout the country.

42. In order to promote the attainment of this objective, the Government, strongly supported by USAID and the main operators in the private sector, has taken an important initiative aimed at creating an environment favourable to sustainable market-based economic growth. That programme, amounting to $20 million and known as "Programme for Commerce and Investment", covering the 1993-1998 period, will furnish technical assistance needed for the establishment of a legislative, judicial, regulatory and political environment capable of removing the constraints on market-economy transactions, reducing the uncertainty in entrepreneurship and investment and promoting growth in the critical subsectors of the economy. Direct assistance will also be provided for financing commercial missions abroad, feasibility studies, etc.

43. In keeping with the programme approach, a joint International Labour Office/UNIDO/ICC mission will be organized by UNDP in order to formulate a national programme for technical cooperation. That programme, financed by UNDP, will complement and consolidate the activities for preparation of the environment that are supported by USAID. In particular, on the basis of a substantial amount of preparatory work already undertaken by the International Labour Office and UNIDO during the period of the third country programme, the Government has requested financing from UNDP, which should aim at the development of a realistic national employment policy designed to facilitate a balance between the supply of labour and the demand for it; the development

and improvement of access to practical training oriented towards employment; the development of cooperatives and mutual associations which concern themselves with sustainable economic activities, giving special attention to the high added value that could be produced by women's cooperatives and associations; the improvement of access to a minimum level of credit necessary for financing the creation of sustainable economic activity by cooperatives and associations, handicrafts and other small businesses and microenterprises and the development of other activities that could produce a substantial impact and generate a potentially high added value would be determined by the joint mission.

44. The expected results will help to improve the capacity of human resources to be developed and will support the initiatives for creating employment and generating sustainable revenues, thereby contributing to the emergence of a class of entrepreneurs who are capable of adapting to and taking advantage of the constantly changing market conditions, as well as contributing to the reduction of unemployment and the attainment of a satisfactory level of material well-being. Along the same lines, it must be borne in mind that the existence of a healthy and dynamic private sector is a prerequisite to the development of a fiscal base capable of sustaining the democratic process and financing essential social programmes.

45. Management of natural resources. Since the economy of Guinea-Bissau is based largely on the primary sector, including agriculture, fishing and forestry, the Government is finding it difficult to bring about the recovery and diversification of the productive sectors, a fact which gives rise to the present economic stagnation. The degradation of the soil, the disappearance of forests and the exhaustion of fisheries resources are threatening the nation's wealth and the continuity of development. Population pressure on the soil could exacerbate this problem. Consequently, better management of national resources is necessary for the expansion and diversification of production.

46. Because there is such an urgent need to approach these questions on a global and integrated basis, the actions taken as part of the programme will have to lead to sustainable development that takes account of the needs of basic communities and the country's equipment requirements at the level of rational management of natural resources. Thus, a series of joint and interrelated activities carried on by the agencies of the United Nations system, working in association with other lenders, will and support the Government in the preparation and implementation of sustainable-development strategies and programmes which are specific to the various agro-ecological zones of the country, so as to take advantage of the particular features and socio-economic potentialities that now exist.

47. Among such activities, a master plan for the management of natural resources, combined with a diagnosis of the ways to utilize natural resources and a definition of the optimal lines of action to be followed in their utilization is now being prepared by the National Environmental Commission, supported by UNSO/UNEP (GBS/89/X03). On the basis of this master plan, various programmes and projects can be developed in the context of a multisectoral approach at both the provincial and the national level. Thus, the plan will serve as a frame of reference for the establishment of a master scheme for agricultural development, which will make it possible to determine more specifically the shape of the programmes and projects to be implemented in the agricultural sector. With partial financing by UNDP and supported by ADB, that master scheme will be prepared in 1993 on the basis of regional master plans which will be established for the three major ecological zones of

the country and other studies previously carried out. These actions will be supported by UNDP, FAO, UNSO, UNEP and other lenders.

48. The cooperation furnished by UNDP and by other agencies will also benefit some essential support services and other activities that will be undertaken as part of the master scheme, such as the activities designed to improve agricultural statistics, with a view to their utilization as a practical instrument for measuring progress and retroaction on the part of farmers; those which relate to the development of a seed plan aimed at increased seed production and the marketing of selected seeds in co-financing with UNCDF; those relating to the development of a horticultural and arboricultural programme; those which tend to support apiculture by the development of a national apiculture plan; and those which indicate the orientation of the proposal for the UNDP/FAO project for supporting agro-pastoral development in the Eastern region with a view to making stock-raisers aware of the practices necessary for sustainable development.

49. UNDP cooperation is also needed in connection with two other subsectors concerned with the pursuit of sustainable development. First of all, during the third country programme UNDP assisted FAO in setting up a national capacity to ensure the conception, implementation and follow-up of actions aimed at the development of small-scale fishing, including the development of policies and strategies which will serve as the basis of a national plan for the development of small-scale fishing. Such cooperation will be continued in 1993. The substantial income gained as a consequence of the sale of fishery products abroad and through the sale of fishing licenses demonstrate that suitable management of fishery resources, including in particular the follow-up and management of industrial catches, is of the first importance in the context of sustainable development of that sector. Moreover, some activities of enterprises in the mining sector during the third country programme will continue in so far as available IPF resources permit. Lastly, in view of the importance of tourism in Guinea-Bissau, the Government's actions in respect of tourism planning will benefit from the advantage of UNDP cooperation.

50. National policies, strategies, programmes and subprogrammes aimed at sustainable rural development can succeed only if they are conceived and implemented with due regard for active participation of the beneficiaries at all stages, ensured in particular through the promotion and development of village organizations, women's groups and national NGOs and the solid support of appropriate action for social communication. The Government should also make sure that concerns relating to the environment and to sustainable development constitute the guiding principle of all rural-development actions financed by external assistance. Those efforts of the Government will be supported by UNDP through the round-table consultative process and, in so far as possible, by the mobilization of non-IPF resources, such as GEF, the UNDP/NGOs programme entitled "Partners in Development", and the like, to strengthen community participation. In this context, the role of the agricultural extension programme, not only in the transmission of messages promoting increased production but also in the promotion of sound practices aimed at sustainable development, should be re-examined. Cooperation relating to the programme for the development of the Bijago//s Islands, whose ecological balance is particularly vulnerable, will have a special environmental impact, particularly with regard to tourism and sustainable rural development.

51. The proposed development project relating to rural roads for the Quinara region, which is supported by UNDP and UNCDF, will give particular attention to concerns relating to the environment and sustainable development and will be accompanied by local-development actions in its area of influence.

52. The expected results of the implementation of activities in the management of natural resources include a contribution to implementing an integrated rural-development programme for the management of natural resources and sustainable growth, formulating subprogrammes and programmes within the framework of the main programme, strengthening national capacities for management at all levels and giving due regard in the national consciousness to the importance of environmental management for sustainable growth. The various national plans and programmes will be so formulated that their impact can be measured and the necessary machinery for that purpose can be established.

C. Assistance outside the main areas of the country programme

53. UNDP cooperation aimed at the development of agrometeorology will be continued, within the limits of available financial resources, with a view to the dissemination of agrometeorological information designed to improve agricultural forecasting and to increase production. That activity will absorb approximately 1 per cent of the resources allocated to the fourth programme.

D. Implementation and management arrangements

54. The Government has taken account of the recommendations made in the Advisory Note, *inter alia* with regard to the programme approach. The national programmes and subprogrammes that have been prepared will serve as a basis for collaboration and joint action taken by United Nations agencies. They will also serve to mobilize cost-sharing funds or parallel financing by lenders. In many cases UNDP is not capable of doing more than financing a few basic components, in particular those at the level of policy, programme formulation, follow-up and evaluation, or strengthening management capacity-building at the central level. The Government must look to third parties for the implementation of the programme.

55. What is envisaged is the gradual introduction of national execution modality, through a survey of the national structures capable of implementing the programmes and projects. National implementation will give the Government a mastery of those programmes, although the carrying out of a large number of components continues to require cooperation from specialized agencies. In this context, it should be noted that the projects, subprogrammes and framework programmes supported by UNDP will have steering committees with functioning secretariats. In the case of subprogrammes, those committees will include national coordinators, who will be assisted initially by international expertise and by members of United Nations specialized agencies or any other competent regional or subregional institution. In addition, at the central level (Ministry of Foreign Affairs and Cooperation) there will be created a unit for administrative and financial management of projects and framework programmes. That unit will be accompanied by a programme of solid training in the management of programmes and projects, for the benefit of suitable personnel. The experience of other countries has shown that successful national implementation results from the involvement and the capacity demonstrated at the ministerial level. In view of the trend towards national implementation, the capacities of the local UNDP office should be strengthened by the introduction of management machinery and logistical support.

56. The utilization of national expertise will be systematically sought, both in the form of individual consultants and in the form of consulting firms or non-governmental organizations. Recourse to international expertise will be reduced to taking advantage of high-level expertise for short-term consultations and for consultations in tandem with national personnel with a

view to the effective transfer of knowledge. The services of United Nations Volunteers and other forms of cooperation, whose cost-effectiveness has been demonstrated, will be extensively encouraged in order to make up for the absence of equivalent national expertise or to exchange experience. Along the same lines, recourse to technical cooperation among developing countries will be favoured. For actions in the private sector, the possibility of making use of international short-term advisory resources (UNISTAR) will be explored.

57. The country's resources will be applied in a flexible manner which will be consistent with the rapidly changing socio-economic environment. This will require careful follow-up in the field. All the components of the programme will be subject to annual tripartite examinations, and the country programme submitted to annual examinations and an in-depth mid-term examination, to verify that they remain valid in the changing national circumstances.

Annex I

FINANCIAL SUMMARY

I. ESTIMATED RESOURCES (IPF + COST-SHARING) TAKEN INTO ACCOUNT FOR PROGRAMMING

	Thousands of dollars	
Carryover	1 197	
Fifth-cycle IPF	27 592	
Estimated expenditures in 1992	4 500	
Estimated IPF resources for 1997	5 518	
Subtotal, IPF		27 413
Project cost-sharing (Government)	P.M.	
Project cost-sharing (third-party)	P.M.	
Cost-sharing (programme)	P.M.	
Subtotal, cost-sharing		-
TOTAL		27 413

II. ALLOCATION OF RESOURCES (IPF + COST-SHARING) ACCORDING TO AREA OF CONCENTRATION

Area of concentration	IPF	Cost-sharing	Total	Percentage
Support for the public sector and for economic management	5 741	-	5 741	21
Assistance to priority social sectors	4 210	-	4 210	15
Promotion of the private sector and employment	3 445	-	3 445	13
Management of natural resources	5 741	-	5 741	21
Subtotal	19 137	-	19 137	70
Unprogrammed reserve	8 276	-	8 276	30
TOTAL	27 413	-	27 413	100

Annex I (continued)

III. COMPLEMENTARY ASSISTANCE FROM OTHER SOURCES USED IN UNDP'S AREAS OF FOCUS

	Thousands of dollars	
A. Funds administered by UNDP		
Special programme resources	-	
UNCDF	12 486	
UNSO	2 250	
Subtotal		14 736
B. Other United Nations resources		
Agencies participating in JCGP		
UNFPA	15 000	
UNICEF	-	
WFP	-	
IFAD	-	
United Nations agencies (other than UNDP financing)	-	
Global Environment Facility (GEF)	-	
Subtotal		15 000
C. Non-United Nations resources		-
TOTAL		29 736

Annex II

FOURTH-PROGRAMME MATRIX a/

Area of concentration	Area of focus					
	Elimination of poverty and participation of basic communities in development	Environment and management of natural resources	Management of development	Technical cooperation among developing countries	Transfer and adaptation of technology	Women in development
I. SUPPORT FOR THE PUBLIC SECTOR AND FOR THE MANAGEMENT OF THE ECONOMY						
- Administrative reform			*			
- Macroeconomic programme	*		*			
II. SUPPORT FOR PRIORITY SOCIAL SECTORS						
- Health care	*	*				
- Education	*					
- Water and sanitation	*	*	*			*
- Social habitat						
III. PROMOTION OF THE PRIVATE SECTOR AND EMPLOYMENT						
- Development of a rational employment policy			*			
- Practical training for employment	*					*
- Development of cooperatives and mutual associations	*		*	*		*
IV. MANAGEMENT OF NATURAL RESOURCES	*	*	*			*

(a) The asterisks indicate major linkages.